

SECRET

CENTRAL INTELLIGENCE

DOCUMENT NO. <u>32</u>
NO CHANGE IN CLASS. <input checked="" type="checkbox"/>
<input type="checkbox"/> DECLASSIFIED
CLASS. CHANGED TO: TS S C
NEXT REVIEW DATE: <u>2010</u>
AUTH: HA 10-2
11 JUN 1980
DATE: _____
AGENCY: _____
25X1

16 March 1959

MEMORANDUM FOR THE DIRECTOR

SUBJECT: The Outlook for Kuwait*

1. While there is no evidence that a radical change in the status quo in Kuwait is imminent, the elements of an upheaval are clearly present. The real question is not whether, but when and how internal tensions and external pressures will alter an essentially anachronistic situation.

2. Internally, nationalist-reformist grievances against the autocratic rule and profligacy of the ruling Subah family will almost certainly continue to grow -- especially among the younger, politically articulate urban elements. Their disgruntlement is shared by important members of the wealthy merchant class, who have long resented their exclusion from political power, and even by a coterie of junior members of the ruling family. Nearly half of the sheikhdom's population is made up of non-Kuwaiti Arabs-Iraqis, Palestinians, Egyptians and Syrians -- whose sympathies are not with the present regime. Kuwait's huge oil revenues and


* This memorandum has been discussed with O/CI and DD/P.

SECRET

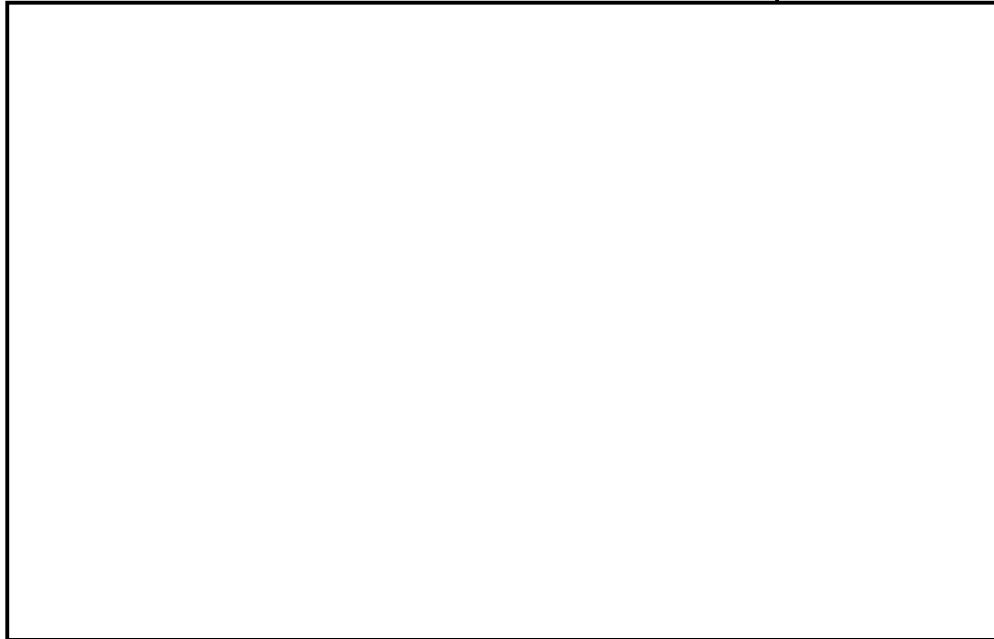
MORI/CDE

SECRET

welfare state policies have not stopped these trends and in some respects have accelerated them.

3. Developments will also depend upon the interaction of external forces, notably the struggle for influence in Kuwait and the Persian Gulf between the UAR and Iraq, 

25X6



25X6

4. . The UAR and Iraq represent more dynamic external influences in the situation. While Nasser may temporarily

25X6



-2-

SECRET

SECRET

moderate, he is unlikely to abandon his propaganda and subversive campaign to bring Kuwait under UAR control and to obtain a share in the sheikhdom's oil revenues. Indeed, in his developing struggle with Iraq, Nasser will probably increase efforts to build influence in Kuwait, and to exploit Kuwaiti fears of Iraq. At the same time, the Communist-oriented Iraqi regime can be expected to take an increasingly active hand in the game for Kuwait--in order to deny a victory to Nasser, to strike a blow at the West, and to fulfill traditional Iraqi aspirations for control of the sheikhdom.

5. In a contest for influence in Kuwait between the UAR and Iraq, the odds still appear to favor Nasser. While Iraq's proximity will enable it to exert strong pressure against Kuwait, Nasser already has a fairly well-developed apparatus in the sheikhdom, as well as more popular appeal than Qassem. Moreover, as the struggle between Nasser and a Communist-dominated Iraq regime develops, Kuwaiti authorities are likely to favor accommodation with Nasser's brand of Arab nationalism as the lesser of two threats. These advantages could be offset, however, if the UAR were to suffer serious internal trouble or external reverses.

25X6

SECRET

6. In the face of prevailing trends, some kind of change in Kuwait's status appears almost inevitable within the next few years. While an internal revolt, with or without foreign backing, will remain a constant possibility, the chances of precipitate change will be greatest when the present Ruler leaves the scene. Although Sheikh Abdullah Mubarak, the most likely successor, controls the security forces, he does not enjoy even the limited popularity of the present Ruler. Thus, the Ruler's departure might precipitate a period of uncertainty and instability which would give radical opposition groups or outside forces their best chance to move.

7. A change, gradual or sudden, in Kuwait's Government will not necessarily threaten Western access to Kuwaiti oil. Even if nationalist-reformist elements gained full power, or if Kuwait fell wholly under UAR hegemony, those in control would continue to want Western markets for the oil. However, Western control over, and profits from, oil production would be reduced, and eventually some form of nationalization would be likely. The outlook would be much more serious if Kuwait should come under the influence of a Communist-dominated Iraq and control of two of the major sources

SECRET

of Middle East oil where thereby given to the Bloc as a weapon
against the West.

FOR THE BOARD OF NATIONAL ESTIMATES

25X1



SHERMAN KENT
Assistant Director
Office of National Estimates

- 5 -

SECRET